

## Message Text

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ACTION PM-03

INFO OCT-01 EUR-12 ISO-00 TRSE-00 OMB-01 L-02 DODE-00

COME-00 AID-05 IGA-01 SS-15 SSO-00 SP-02 EB-07 MC-02

EURE-00 INRE-00 INR-07 CIAE-00 /058 W

----- 013791

O 141507Z MAY 75 ZFF-4

FM AMEMBASSY ATHENS

TO SECSTATE WASHDC IMMEDIATE 8725

INFO USCINCEUR IMMEDIATE

C O N F I D E N T I A L ATHENS 3569

E.O. 11652: GDS

TAGS: MASS, EAIR, EINV, EIND, BEXP, GR,US

SUBJECT: NATIONAL AVIATION EQUIPMENT INDUSTRY (EBAY)

REF: (A) STATE 105920; (B) ATHENS 3348; (C) STATE 089052;

(D) ATHENS 3564

1. SUMMARY AND ACTION REQUESTED: IN MAY 14 MEETING, GOG OFFICIALS CONFIRMED TO US THEIR DESIRE TO USE \$25 MILLION FNCB LOAN FOR EBAY PROJECT. THEY WILL PROVIDE EMBASSY WITH TEXT OF DRAFT LETTER TO MEET REQUIREMENTS POSED IN REF. A AT 0900 MAY 15. DEFENSE MINISTER AVEROFF-TOSSIZZA WILL SIGN LETTER AS SOON AS USDOD INDICATES IT IS ACCEPTABLE. GOG VERY EAGER CONCLUDE ALL ARRANGEMENTS ASAP, AND WE WOULD APPRECIATE GUIDANCE ON ANY OTHER ACTION WHICH EMBASSY MIGHT TAKE TO EXPEDITE CASE.

2. IN MAY 14 MEETING, OFFICIALS OF MINISTRIES COORDINATION AND PLANNING, AND FINANCE, OF GREEK MILITARY, AND OF BANK OF GREECE, CONFIRMED TO EMBASSY AND JUSMAGG OFFICERS, AND FNCB REP, GOG'S DESIRE TO USE \$25 MILLION FNCB LOAN FOR EBAY PROJECT. FOCUS OF MEETING WAS ON PROCEDURES TO BE FOLLOWED TO INSURE DRAWDOWN BY JUNE 1 DEADLINE. FNCB-GOG LOAN AGREEMENT PROVIDES FOR 5 WORKING-DAYS NOTICE TO BANK OF INTENTION TO DRAW, SO IN PRACTICAL TERMS GOG HAS ONLY UNTIL MAY 2 TO  
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SATISFY ALL REQUIREMENTS.

3. TO MEET DOD REQUIREMENTS IN REF. A, LETTEF WILL BE PREPARED FOR SIGNATURE OF MINISTER OF DEFENSE AVEROFF-TOSSIZZA (OR, IN CASE OF UNFORESEEN CIRCUMSTANCES, UNDER-SECRETARY KATSADHIMAS). LETTER IS TO BE BASED ON TEXT ALREADY PREPARED BY LOCKHEED FOR GREEK MINISTRY OF DEFENSE FOR SUBMISSION TO USDOD OUTLINING PROJECT, WITH ADDITIONAL LANGUAGE DRAWN FROM REF. A, PARA 1. MINISTER WILL SIGN LETTER AS SOON AS DOD INDICATES TEXT IS ADEQUATE, AFTER WHICH LETTER WILL BE POUCHED BY EMBASSY TO DEPT. ASAP. FINAL DRAFT OF LETTER IS TO BE MADE AVAILABLE TO EMBASSY AT 0900 MAY 15 AND WILL BE TRANSMITTED BY IMMEDIATE TELEGRAM TO DEPT. IN MEANTIME EMBASSY SENDING BY SEPTTEL (REF. D). TEXT OF LOCKHEED DRAFT, WITH ADDITION, AS SUGGESTED BY GREEKS, OF STATE 105920 AS ONE OF ITS REFERENCES.

4. GREEKS POINTED OUT, WITH RESPECT TO "INITIAL EVIDENCE OF CONTRACTUAL RELATIONSHIP BETWEEN GOG AND US CORPORATIONS" MENTIONED IN REF. A, PARA. 1, LETTERS OF INTENT HAVE NOT YET BEEN FORMALLY ISSUED. HOWEVER, LETTERS OF INTENT OR COPIES OF ACUTAL CONTRACTS WITH THE CORPORATIONS WILL BE SUPPLIED ASAP AND, OF COURSE, IN ADVANCE OF ANY REQUESTS BY THE GOG FOR DISBURSEMENTS FROM \$25 MILLION. AVEROFF LETTER WILL IDENTIFY EACH U.S. CORPORATION, TOGETHER WITH ARTICLES OR SERVICES TO BE PROVIDED.

5. FNCB REP ADDRESSED HIMSELF TO SEVERAL QUESTIONS REGARDING STEPS TO BE FOLLOWED. WITH RESPECT TO ARTICLE E, SECTION 1.10 OF GOG-FNCB LOAN AGREEMENT, HE INDICATED THAT FNCB WOULD AMOST CERTAINLY REQUIRE NEW "LETTER EVIDENCING ... APPROVAL" FROM DOD SINCE ORIGINAL LETTER REFERRED TO USE OF \$15 MILLION FOR THE HAI PROJECT, AS EBAY WAS FORMERLY KNOWN, AND \$10 MILLION FOR OTHER PURPOSES, WHEREAS NOW WHOLE AMOUNT WOULD BE EZRMARKED FOR EBAY. IN RESPONSE TO QUESTION FROM GREEKS WITH RESPECT TO ARTICLE IV, SECTION 4.01 G,H, AND I OF THE LOAN AGREEMENT, FNCB REP STATED THAT HE BELIEVED THAT DOD WOULD HAVE TO PROVIDE SUCH DOCUMENTATION DATED THE DAY OF LOAN BE DRAWN, I.E., JUNE 1. HE ALSO VENTURED PERSONAL OPINION THAT DOD WOULD REQUIRE SOME COMMITMENT FROM FNCB THAT DISBURSEMENTS WOULD BE ALLOWED BY THE BANK ONLY

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UNDER CONDITIONS OUTLINED PARA 1 REF A. (DOD SHOULD NOTE THAT GOG INTENDS PLACE FUNDS IN FOUR DIFFERENT ACCOUNTS, A SIGHT DEPOSIT AND TIME DEPOSITS OF THREE, SIX, AND NINE MONTHS.)

6. GOG VERY EAGER TO FINALIZE ALL ARRANGEMENTS ASAP. EMBASSY WOULD APPRECIATE GUIDANCE ON ANY OTHER ACTION WHICH MIGHT BE TAKEN FROM THIS END TO EXPEDITE DASE, AND

INFORMATION ON ANY PROBLEMS WHICH STATE OR DOD FORESEE IN  
COMPLETING ALL REQUIREMENTS BEFORE MAY 25.  
KUBISCH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
**Draft Date:** 14 MAY 1975  
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**Disposition Approved on Date:**  
**Disposition Authority:** buchantr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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**To:** STATE  
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